

Message Text

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SUBJECT: GOSPLAN OFFICIAL DISCUSSES SOVIET POLICY ON ECONOMIC
COOPERATION WITH US

REF: MSCOW A-104

1. SUMMARY: AT SPASO HOUSE FILM SHOWING APRIL 22,
MIDDLE-LEVEL GOSPLAN OFFICIAL TOLD EMBOFF THAT A) GOSPLAN
HAS ABSOLUTE PRIMACY WITHIN GOVERNMENT APPARATUS FOR
FORMULATING SOVIET FOREIGN ECONOMIC/TRADE POLICY, ITS
DECISIONS BEING SUBJECT TO REVIEW ONLY BY CPSU CENTRAL
COMMITTEE; AND B) GOSPLAN VIEWS CLOSE ECONOMIC TIES WITH
US AS AN UNCHANGED IMPERATIVE OF SOVIET POLICY --
IRRESPECTIVE OF "TEMPORARY" DIFFICULTIES--BECAUSE US CAN
OFFER COMBINATION OF ECONOMIC ADVANTAGES TO USSR UNMATCHED
BY ANY OTHER COUNTRY OR GROUP OF COUNTRIES. ACCORDING TO
THIS OFFICIAL, GOSPLAN VIEWS ANYTHING OTHER THAN "CLOSEST"
BILATERAL ECONOMIC COLLABORATION AS "UNTHINKABLE."
END SUMMARY

2. DURING SPASO HOUSE FILM EVENING APRIL 22, EMBOFF
TALKED AT LENGTH WITH G. N. BAZHENOV, SENIOR EXPERT,
SECTION FOR ECONOMIC COOPERATION WITH CAPITALIST COUNTRIES,
USSR GOSPLAN. CONVERSATION TURNED TO DISCUSSION OF
RELATIVE WEIGHT OF VARIOUS INTERESTED SOVIET AGENCIES
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(MINISTRY OF FOREIGN TRADE, STATE COMMITTEE FOR SCIENCE

AND TECHNOLOGY, ETC.) IN FORMULATING SOVIET FOREIGN ECONOMIC POLICY IN GENERAL, AND POLICY TOWARD US IN PARTICULAR. BAZHENOV STATED THAT GOSPLAN HAS UNQUESTIONED ULTIMATE AUTHORITY WITHIN ENTIRE GOVERNMENT APPARATUS BOTH FOR DECIDING WHICH SPECIFIC PROJECTS AND EQUIPMENT PURCHASES TO APPROVE AND ALSO FOR FORMULATING ENTIRE RANGE OF SOVIET FOREIGN ECONOMIC POLICY. THESE FUNCTIONS-- REGARDING US--CARRIED OUT JOINTLY BY BAZHENOV'S SECTION, HEADED BY V. V. MORDVINOV, AND FOREIGN TRADE SECTION (OF WHICH V. B. SPANDARYAN WAS FORMERLY IN CHARGE; IT IS NOW HEADED BY L. I. BOBROV). BOTH COME UNDER JURISDICTION OF DEPUTY GOSPLAN CHAIRMAN N. N. INOZEMTSEV (SEE REFAIR). IN FULFILLING THESE RESPONSIBILITIES, NOTED BAZHENOV, GOSPLAN DECISIONS SUBJECT TO REVIEW AND POSSIBLE ALTERATION ONLY BY PARTY CENTRAL COMMITTEE.

3. REGARDING SOVIET POLICY TOWARD US, BAZHENOV INDICATED GOSPLAN VIEW IS THAT FORMERLY ENUNCIATED POLICY OF HIGHLY-DEVELOPED ECONOMIC/TRADE RELATIONS WILL NOT CHANGE AND IN FACT CANNOT CHANGE. THIS IS DUE TO FACT THAT USSR PERCEIVES US AS SINGLE COUNTRY CAPABLE OF OFFERING WIDE RANGE OF ECONOMIC ADVANTAGES REQUIRED FOR SOVIET INDUSTRIAL MODERNIZATION. THESE INCLUDE: SOPHISTICATED EQUIPMENT, CAPABILITIES AND QUALITY OF WHICH UNMATCHED ELSEWHERE; TECHNOLOGICAL PROCESSES, MANY OF WHICH ALSO UNAVAILABLE IN OTHER COUNTRIES; AND MANAGERIAL KNOW-HOW AND TECHNIQUES. BAZHENOV STATED THAT IT WOULD BE "UNTHINKABLE" FOR USSR TO PURSUE ANY POLICY OTHER THAN ONE OF SEEKING "CLOSEST" POSSIBLE ECONOMIC/TRADE TIES WITH US.

4. EMBOFF NOTED THAT BAZHENOV HAD TAKEN PART IN RECENT JOINT COMMERCIAL COMMISSION SESSIONS, WHERE SOVIET REPRESENTATIVES HAD INDICATED THAT USSR WILL FIND OTHER TRADING PARTNERS SHOULD US NOT COME AROUND ON MFN AND CREDIT ISSUES. EMBOFF FURTHER RECALLED THAT BAZHENOV HAD BEEN PRESENT DURING MAJOR PROJECTS AND FINANCING WORKING GROUP SESSION WHEN DEPUTY FOREIGN TRADE MINISTER ALKHIMOV HAD STATED RATHER UNEQUIVOCALLY THAT USSR WILL TRADE ELSEWHERE IF THESE PROBLEMS NOT RESOLVED. BAZHENOV BRUSHED THESE SOVIET STATEMENTS ASIDE, NOTING THAT JOINT

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COMMERCIAL COMMISSION SESSIONS WERE "JUST LIKE THE UN-- A LOT OF TALK." ACKNOWLEDGING THAT IN INTERIM PERIOD WHILE ULTIMATE US STANCE BECOMES CLARIFIED USSR IS DEALING WITH COMPANIES OF MANY WESTERN EUROPEAN COUNTRIES AND JAPAN, BAZHENOV SAID THAT SUCH COMPETITION SHOULD NOT BOTHER US, WHOSE COMPANIES ARE USED TO COMPETITION.

5. COMMENT: EVEN ALLOWING FOR FACT THAT BAZHENOV WAS GUEST

ON THIS OCCASION AND FOR POSSIBILITY THAT HIS UNABASHED PRO-AMERICANISM ON BILATERAL ECONOMIC/TRADE ISSUES WAS INTENDED AS MUCH TO PLEASE HOSTS AS TO REFLECT OFFICIAL POLICY, HIS COMMENTS ARE OF CONSIDERABLE INTEREST IN THAT THEY APPEAR TO PRESENT ACTUAL SOVIET VIEW OF SITUATION WITH GREATER CANDOR THAN IS USUALLY HEARD FROM MORE CAUTIOUS, HIGHER-LEVEL OFFICIALS (SUCH AS INOZEMTSEV HIMSELF AS REPORTED REPAIR). SUCH VIEWS--FOUNDED ON ECONOMIC CONSIDERATIONS ONLY--ARE OBVIOUSLY SUBJECT TO MELLOWING AND REFINEMENT AT PARTY LEVEL. NONETHELESS, BAZHENOV'S WORK PLACES HIM IN POSITION TO KNOW PARAMETERS OF CURRENT ECONOMIC SOVIET POLICY VIS-A-VIS US, AND EMBASSY HAS NO REASON TO DOUBT THAT HIS COMMENTS TO LARGE EXTENT ECHO THAT POLICY. STOESSEL

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